

Message Text

CONFIDENTIAL

PAGE 01 JAKART 14333 230831Z
ACTION EA-12

INFO OCT-01 ISO-00 ONY-00 /013 W
-----110870 230832Z /10
P 210950Z OCT 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 4575

C O N F I D E N T I A L JAKARTA 14333

STADIS////////////////////////////////////

EA ONLY FOR AMBASSADOR MASTERS IN EA/TIMBS

E.O. 11652: GDS
TAGS: PORT, EGEN, ID
SUBJECT: AMBASSADOR-DESIGNATE'S CONSULTATIONS

FOLLOWING ARE MATTERS WHICH YOU MAY WISH TO RAISE OR WHICH
MAY BE RAISED WITH YOU DURING CONSULTATIONS IN WASHINGTON.

A. EA CHIEFS OF MISSION CONFERENCE. EMBASSY HAS RECEIVED STATE 251772 WHICH YOU MAY WISH TO DISCUSS WITH ASSISTANT SECRETARY HOLBROOKE OR WITH GLEYSTEN.

B. AGRICULTURE AND PL 480. DURING CALLS ON APPROPRIATE OFFICIALS AT USDA (BERGLAND, HATHAWAY, HUGHES) YOU MAY WISH RAISE USDA AND GOI AGRICULTURAL RELATIONSHIPS AND EXPORTS/IMPORTS; FOREIGN MARKET DEVELOPMENT PROGRAMS; AND THE ROLE OF FAS. IN DISCUSSIONS WITH USDA, STATE, AID AND OMB YOU MAY WISH TO RAISE STATUS OF PROPOSED SECOND AMENDMENT TO TITLE I PL 480 AGREEMENT DATED MAY 17, 1977, FOR INDONESIA, INCLUDING OUTLOOK FOR SPEEDY CONCLUSION AND POSSIBLE LINKAGE WITH HUMAN RIGHTS ISSUE.

C. AID. WE ASSUME AMBASSADOR WILL CALL UPON ADMINISTRATOR GILLIGAN, ASSISTANT ADMINISTRATOR SULLIVAN AND HARRY J. PETREQUIN. IF YOU PLAN TO CALL ON MEMBERS OF CONGRESS, WE SUGGEST INCLUSION SENATOR INOUE AND CONGRESSMAN LONG. WITH INOUE, YOU MIGHT MENTION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 14333 230831Z

THE IMPORTANCE OF TRAINING OFFICIALS OF LDC'S IN PLANNING AND IMPLEMENTATION OF DEVELOPMENT PROGRAMS AND PROJECTS. WE CONTINUE TO FEEL STRONGLY ABOUT THE IMPORTANCE OF HIGHER EDUCATION AS A MEANS OF BRINGING EDUCATION TO THE MASSES THROUGH THE TRAINING OF THOSE WHO WILL DO THE ACTUAL TEACHING. DEPENDING ON YOUR AND THE DEPARTMENT'S FEELINGS ABOUT THE RURAL ELECTRIFICATION

PROPOSALS FOR INDONESIA, YOU MAY ALSO WISH TO RAISE THIS WITH SENATOR INOUE.

D. FMS PURCHASES. IT WOULD BE MOST HELPFUL IF WE COULD HAVE AS SOON AS POSSIBLE A CURRENT READING ON THE STATUS OF THE LETTER OF OFFER (LOA) FOR F-5 AIRCRAFT. THE GOI HAS MADE SEVERAL REQUESTS FOR THIS OVER THE LAST TWO MONTHS, AND TWO WITHIN LAST WEEK, STRESSING THAT THEY HOPE FOR AN ANSWER BEFORE A COMMANDERS CALL AT END OF OCTOBER. GOI ALSO CONTINUES SHOW INTEREST IN ACQUIRING M-16 COPRODUCTION FACILITY THROUGH FMS CREDITS AND HAS REQUEST SEVERAL TIMES TO KNOW USG ATTITUDE. WE HAVE ASKED FOR DEPARTMENT'S GUIDANCE (JAKARTA 12971) IN RESPONDING TO GOI INQUIRIES. IN VIEW OF OUR RECENT OFFER, THEN WITHDRAWAL, OF ADDITIONAL FMS CREDITS WHICH MAY FURTHER RAISE QUESTIONS OF THE USG'S INTEREST IN INDONESIAN SECURITY, EARLY RESPONSES TO THE GOI'S INQUIRIES REGARDING THE F-5'S AND M-16 FACILITY WOULD HELP TO AVERT MISINTERPRETATION OF USG INTENTIONS.

E. OIL DEVELOPMENTS.

(1) IRS RULING ON PRODUCTION SHARING CONTRACTS. THIS HAS BEEN RAISED FREQUENTLY BY BOTH OURSELVES AND BY GOI, MOST RECENTLY MINISTERS WARDHONO AND SADLI IN WASHINGTON. HOWEVER, WE BELIEVE THAT FOCUS HAS PERHAPS BEEN TOO MUCH ON THE MECHANICS OF THE PROBLEM RATHER THAN ON THE POSSIBLE SERIOUS CONSEQUENCES TO INDONESIA'S ECONOMY AND LATER TO US-GOI RELATIONS. IN THIS CONNEC-

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JAKART 14333 230831Z

TION, RECOMMEND YOU READ JAKARTA 14273.

(2) DEPARTMENT OF ENERGY REVIEW ON PACIFIC LIGHTING/INDONEISA'S LNG CONTRACTS.

(3) GENERAL USG POLICY CONCERNING LNG IMPORTS AND, IF PERTINENT, ONGOING CONGRESSIONAL INTEREST IN STUDY OF 73/75 PERTAMINA CRISES.

F. EXIM BANK. DURING CALL ON NEW EXIM BANK CHAIRMAN, MR. MOORE, DISCUSSION OF KEY ELEMENT OF FINANCING ON FLEXIBLE TERMS IN OUR EXPORT PROMOTION HERE.

G. DEVELOPMENT STRATEGY. DISCUSSION WITH HEGINBOTHAM AND SULLIVAN WOULD BE USEFUL AND YOU MAY WISH TO LOOK AT JAKARTA 14137, STADIS FOR HEGINBOTHAM.

H. AVIATION. IF TIME PERMITS, IT WOULD BE USEFUL TO FIND OUT FROM AV, MIKE STYLES, PRESENT STATE OF PLAY AND DEPARTMENT'S THINKING ON FUTURE EVOLUTION OF OUR CIVAIR RELATIONS. AT THE MOMENT, BOTH SIDES HAVE AGREED TO DISAGREE AND NEGOTIATIONS ARE AT A STATEMATE. INDONESIAN DESIRE TO FLY TO THE U.S. MAY BE REVIVED NEXT YEAR.

I. FOREIGN INVESTMENT. ATTITUDE BY U.S. PRIVATE SECTOR TOWARDS INVESTMENT CLIMATE HERE IS OF MAJOR INTEREST TO GOI (AND TO US). ASSUME YOU WILL BE MAKING THE

BCIU ROUNDS IN NEW YORK AND ELSEWHERE. CHESKY CAN ADVISE ON PRIORITIES FOR YOU CALLS. RECOMMEND YOU INCLUDE KUHN AND LOEB IN NEW YORK (MARK FEER AND DAVID STEIN) SINCE THEY ACT AS FINANCIAL ADVISORS TO BANK OF INDONESIA. AT PRESENT, U.S. MAJOR BANKS ARE QUITE BULLISH ABOUT INDONESIA.

J. TRADE PROMOTION. NO PARTICULAR PROBLEMS, BUT DISCUSSION WITH ASSISTANT SECRETARY FRANK WEIL IN COMMERCE, OIM DIRECTOR DICK CARNITZ AND DEPUTY ASSISTANT SECRETARY DEAN MORAN (WHO WILL BE IN JAKARTA FOR OPENING OF TRADE SHOW OCTOBER 31) WOULD BE USEFUL.

K. ADMINISTRATION.

(1) CONTRACT EMPLOYEES. PENDING IN THE DEPARTMENT IS A REQUEST TO TRANSFER 163 CONTRACT EMPLOYEES TO PAYROLL STATUS, THIS IN RESPONSE TO A REQUEST FOR SUCH ACTION BY CONFIDENTIAL

CONFIDENTIAL

PAGE 04 JAKART 14333 230831Z

EA/EX.

(2) DIPLOMATIC PASSPORTS. WE HAVE REQUESTED DIPLOMATIC PASSPORTS FOR NINE ADDITIONA PERSONS IN ORDER TO ENABLE ALL STATE AND USIS EMPLOYEES TO IMPORT A POV. WHILE NOT SOLVING THE TOTAL PROBLEM OF DUTY FREE IMPORTS OF POV'S FOR MISSION, THIS WILL BE OF CONSIDERABLE ASSISTANCE.

(3) AIR FREIGHT PROPOSAL. WE HAVE JUST PROPOSED THAT PERSONNEL BE AUTHORIZED EXCESS ACCOMPANIED BAGGAGE FOR THOSE WHO WISH IT IN LIEU OF AN AIR FREIGHT SHIPMENT. THIS RESULTS FROM INCREASING DELAYS THROUGH CUSTOMS.
RIVES

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AMBASSADOR DESIGNATE, MEETING AGENDA, NEGOTIATIONS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Oct-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART14333
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770390-0843
Format: TEL
From: JAKARTA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771035/aaaabdbx.tel
Line Count: 149
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a5c29c29-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY, STADIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 834451
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR-DESIGNATE'S CONSULTATIONS FOLLOWING ARE MATTERS WHICH YOU MAY WISH TO RAISE OR WHICH MAY BE RAISED WITH YOU DURING CONSULTATIONS IN WAS
TAGS: PORG, EGEN, ID
To: STATE
Type: TE
vdkgvkey: odbcr://SAS/SAS.dbo.SAS_Docs/a5c29c29-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009